

**PUBLIC ACCOUNTS COMMITTEE
(1977-78)**

(SIXTH LOK SABHA)

SIXTY-FOURTH REPORT

BANGLADESH REFUGEES

PART II

(DEPARTMENT OF REHABILITATION)

**[Action taken by Government on the recommendations
of the Public Accounts Committee contained in
their 149th Report (Fifth Lok Sabha)]**



Presented in Lok Sabha on 22-3-1978

Presented in Rajya Sabha on 22-3-1978

**LOK SABHA SECRETARIAT
NEW DELHI**

March, 1978/Phalguna, 1899 (S)

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PUBLIC ACCOUNTS COMMITTEE

(1977-78)

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Shri C. M. Stephen

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Lok Sabha

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- 4. Shri Brij Raj Singh
- 5. Shri Tulsidas Dasappa
- 6. Shri Asoke Krishna Dutt
- 7. Shri Kanwar Lal Gupta
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- 20. Shri S. A. Khaja Mohideen
- 21. Shri Bezawada Papireddi
- 22. Shri Zawar Hussain

*Elected with effect from 23 November, 1977 *vice* Sarvashri Sheo Narain and Jagdamb Prasad Yadav ceased to be Members of the Committee on their appointment as Ministers of State.

(iv)

SECRETARIAT

1. Shri B. Mukherjee] —*Joint Secretary*
2. Shri H. G. Paranjpe —*Chief Financial
Committee Officer*
3. Shri Bipin Behari. —*Senior Financial
Committee Officer*

INTRODUCTION

1, the Chairman of the Public Accounts Committee as authorised by the Committee, do present on their behalf this Sixty-Fourth Report on the action taken by Government on the recommendations of the Public Accounts Committee contained in their Hundred and Forty Ninth Report (Fifth Lok Sabha) on Bangla Desh Refugees.

2. On 10 August, 1977, an 'Action Taken Sub-Committee', consisting of the following Members was appointed to scrutinise the replies received from Government in pursuance of the recommendations made by the Committee in their earlier Reports:

- | | |
|----------------------------|-----------|
| 1. Shri C. M. Stephen | —Chairman |
| 2. Shri Asoke Krishna Dutt | —Convener |
| 3. Shri Gauri Shankar Rai | } Members |
| 4. Shri Tulsidas Dasappa | |
| 5. Shri Kanwar Lal Gupta | |
| 6. Shri Zawar Hussain | |
| 7. Shri Vasant Sathe | |

3. The Action Taken Sub-Committee of the Public Accounts Committee (1977-78) considered and adopted the Report at their sitting held on 28 February, 1978. The Report was finally adopted by the Public Accounts Committee (1977-78) on 15 March, 1978.

4. For facility of reference the recommendations/conclusions of the Committee have been printed in thick type in the body of the Report. For the sake of convenience, the recommendations/conclusions of the Committee have also been reproduced in a consolidated form in the Appendix to the Report.

5. The Committee place on record their appreciation of the assistance rendered to them in this matter by the Comptroller & Auditor General of India.

NEW DELHI:

March 15, 1978.

Phalgun 24, 1899 (S).

C. M. STEPHEN,

*Chairman,
Public Accounts Committee.*

CHAPTER I

REPORT

1.1. The Committee had earlier in their 213th Report (Fifth Lok Sabha) already dealt with action taken by Government on 23 out of a total of 50 recommendations contained in their 149th Report (Fifth Lok Sabha) on Bangla desh Refugees (Department of Rehabilitation) which was presented to Lok Sabha on 23 April, 1975. This Report of the Committee deals with action taken by Government on the remaining 27 recommendations of the Committee contained in the original Report.

1.2. Action Taken Notes on these 27 recommendations of the Committee have been categorised as follows:—

- (i) *Recommendations/observations which have been accepted by Government :*

Sl. Nos. 2 & 7—12.

- (ii) *Recommendations/observations which the Committee do not desire to pursue in the light of the replies received from Government :*

Sl. Nos. 4—6, 26-27, 39 & 42—44.

- (iii) *Recommendation/observation reply to which has not been accepted by the Committee and which requires reiteration :*

Sl. No. 3

- (iv) *Recommendations/observations in respect of which Government have furnished interim replies :*

Sl. Nos. 13—18, 21, 25 & 28-29.

1.3. It is regrettable that even after the lapse of nearly 2½ years final action taken notes in respect of 10 recommendations have not been furnished to the Committee. The Committee expect that final replies to these recommendations/observations in respect of which only interim replies have been furnished so far will be submitted expeditiously after getting them vetted by Audit.

1.4. The Committee will now deal with the action taken by Government on a recommendation which they wish to comment upon.

Delay in lodging claims for short-landing (Para No. 1.67—Sl. No. 3).

1.5. Commenting upon the delay in finalising the claims for short landing of foodstuff received from bilateral sources, the Committee, in para 1.67 of the Report, had observed:

“The Committee regret to note that while claims for the Calcutta Port Trust were filed between April 1972 and July 1973, none

of the claims have been finalised and these are still being pursued. As considerable time has elapsed since the filing of the claims, the Committee require that the matter should be pursued vigorously and the claim cases finalised without further delay. The Committee would like to be informed about the position in regard to the claims for other articles, *vis.*, soyabean oil, rape-seed, sunflower oil, cotton and kerosene oil, which were handled by STC. These too should be finalised without further loss of time and a report submitted to the Committee of the progress made after two months."

1.6. In their Action Taken Note dated 26 June, 1976, the Department of Rehabilitation had stated:

"A statement indicating particulars of short landing claims lodged by F.C.I. with the carriers, as furnished by FCI, is enclosed. Out of 37 claims, 33 claims are time-barred. Out of these 33 claims, the Shipping Agents had requested FCI to adjust the shortages in respect of 20 claims against sweepings cleared by FCI. The matter is being pursued by FCI with the Shipping Agents. In regard to the remaining 13 claims, which have not been accepted by the Shipping Agents, the matter is being pursued with them for extension of time limit. The FCI is ascertaining the circumstances leading to these claims being allowed to get time barred. In the case of the remaining 4 claims (37-33), replies in respect of 2 of these claims are still awaited from the Shipping Agents. For the other 2 claims, the Shipping Agents have indicated that the matter was receiving attention as the claims were being handled by the Department of Agriculture, New York. The matter is being pursued vigorously with the Shipping Agents by the FCI with a view to finalising the claims at the earliest.

The State Trading Corporation handled rape-seed, sunflower seed oil and soyabean oil. They did not handle cotton and kerosene oil. The consignments of rapeseed, soyabean oil and sunflower seed oil were received under the World Food Programme. In all such cases, chartering of vessels and Marine Insurance of the Cargo were arranged by W.F.P. No charge invoice was issued by the donor agencies. At the time of clearance of the consignments, the W.F.P. was consulted by S.T.C. regarding the procedure to be followed in preferring claims for shortages on carriers as well as under-writers. The STC were given to understand that this part of the problem would be taken care of by the donor agencies. The survey Reports received were forwarded to WFP for such action as might be considered necessary by them. No claim was required to be filed by STC.

A statement showing the details of gift articles handled by the STC together with the names of vessels, quantify received shortages etc. is enclosed. In this connection a copy of letter dated 9-12-1975 received from USAID, New Delhi is also attached." (see pages 24-25).

1.7. The Department of Rehabilitation were requested on 29 June, 1977 to furnish the latest position in regard to the 37 short-landing claims which were stated to be as "being pursued vigorously with the shipping agents by FCI."

1.8. The Department have, in their communication dated 12 August, 1977, stated the position as follows:

"As already intimated 33 short-landing claims out of 37 cases were time-barred. The Food Corporation of India have now reported that one more short landing claim has been rejected as time-barred; one claim has been settled by the Shipping Agents with the Commodity Credit Corporation, United States, Department of Agriculture, at New York and final reply in respect of two claims is still awaited from the Shipping Corporation of India.

As to the request of the Shipping Agents to the Food Corporation of India to adjust the shortages in respect of 20 claims (out of 33 claims turned down earlier as time-barred) against sweepings cleared by FCI, a report has been called for from the Food Corporation of India."

1.9. The Committee regard it as extremely unfortunate that huge claims amounting to nearly Rs. 59 lakhs for short-landing have been allowed to get time-barred. They desire that the circumstances in which the lodging of claims was delayed should be investigated and responsibility therefor fixed and appropriate action taken against those responsible.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation

It has been mentioned in the Audit Report that the details of Rs. 85.76 crores representing the value of foreign aid received in kind were furnished by Audit to Government in September, 1973. According to Government this figure is Rs. 85.52 crores. The Committee regret that although the Audit Paragraph was with the Department for quite some time and the paragraphs had been accepted by the Department before its inclusion in the Audit Report; the Department had not taken any action to reconcile the differences in the figures pointed out by the Audit. The Committee would like that in such matters the Department should take prompt action for reconciling the differences by personnel discussions and not enter into prolonged correspondence. In the present case, the Committee desire that every effort should be made to reconcile the differences in figures, if the reconciliation has not already been effected.

[Sl. No. 2(Para 1.54) of Appendix VII to 149th Report
(5th Lok Sabha)]

Action Taken

The difference in figures of foreign aid received in kind has since been reconciled with Audit and the revised and reconciled figure now works out to Rs. 85.96 crores.

[Ministry of Supply and Rehabilitation (Department of Rehabilitation) O. M. No. 5(2)/75—FA & BD dated 23rd March, 1976].

Recommendation

The Committee are concerned to note that even after three years of the drawals in abstract bills, detailed bills with sub-vouchers in support of expenditure have not been furnished in respect of Rs. 0.02 crores and 1.17 crores by the State Government of Tripura and Meghalaya, respectively. The Committee are equally concerned to note that West Bengal was not able to submit detailed bills and instead it furnished accounts against district-wise drawals to the tune of only Rs. 76.10 crores (October, 1973) as against the total expenditure of Rs. 83.07 crores and even those accounts were not accompanied by vouchers/sub-vouchers below Rs. 100 and also the muster rolls for distribution of food rations and cash doles. The delay in the supply of expenditure statements was rightly commented upon in the 5th monthly meeting on refugee affairs held on 4th December, 1971 in the Branch Secretariat of the Department of Rehabilitation in Calcutta wherein it was stated that "the booked expenditure upto now was so small that foreign observers had started

doubting our published figures of the total number of refugees and the expenditure on them". The Committee deplore the inordinate delay in the finalisation of the accounts. They are positive that adequate budgetary control was not exercised by the Department of Rehabilitation. The Committee would like that serious efforts should be made to finalise the accounts without further delay.

[Sl. No. 7 (Para 1.97) of Appendix VII to 149th Report (5th Lok Sabha)].

All possible efforts are being made to finalise the accounts as expeditiously as possible. The present position in regard to the submission of detailed bills by the Governments of Tripura and Meghalaya, as reported by them, is indicated below :—

- (1) *Tripura*.—As against the drawal in abstract bills of the amount of Rs. 8.37 crores, the State Government have submitted detailed bills to the extent of Rs. 8.3508 crores. As regards the balance amount, the State Government have intimated that the vouchers, connected records, etc. in this respect are lying with Courts, Vigilance, Special Investigation Officers etc. Steps are being taken to finalise the accounts early after obtaining the relevant vouchers etc. from these authorities.
- (2) *Meghalaya*.—As against the drawal in abstract bills to the tune of Rs. 13.34 crores, detailed bills to the extent of Rs. 12.92 crores have since been submitted by the State Government to the Accountant General.

[Ministry of Supply and Rehabilitation (Department of Rehabilitation) O. M. No. 5(2)/75—FA & BD dated 24th May, 1976].

Further Information

The latest position regarding finalisation of accounts in respect of West Bengal has been given separately in reply to paras 1.89 to 1.91 against serial No. 2. As regards Tripura and Meghalaya, the latest position is given below:—

Tripura.—In November, 1975, the State Government reported that complete accounts including submission of Detailed Contingent Bills for drawals of Rs. 8.37 crores on Abstract Contingent Bills had been submitted to the A. G., Tripura. Since then, audit certificates for Rs. 2073.31 lakhs as against the 'on account' advance of Rs. 2022 lakhs have been received from the State Government and an amount of Rs. 51.21 lakhs incurred in excess of the 'on account' advance has been reimbursed to them.

Meghalaya.—The State Government have reported that out of the drawals of Rs. 13.33 crores drawn on Abstract Contingent Bills, Detailed Contingent Bills for an amount of Rs. 13.30 crores have been submitted to the A. G., Meghalaya, that Detailed Contingent Bill for Rs. 2,59,516.56 is to be submitted by the

Relief and Rehabilitation Commissioner, Assam, that Detailed Contingent Bill for Rs. 7174.49 is still outstanding, pending settlement of recovery, from the contractor concerned. As for audit certificate, the A. G., Meghalaya have reported that an expenditure of Rs. 15.90 crores has been booked in their office, of which they have, after prescribed audit check, found correct an amount of Rs. 12.08 crores subject to observations, if any, to be made during local audit. The matter is being pursued vigorously with the State Government for getting audit certificate for the remaining amount.

[Ministry of Supply and Rehabilitation (Department of Rehabilitation) O. M. No. 7(75)/74—FA & BD dated 15th July, 1977]

Recommendations

The Committee have been informed by the representative of the Department of Rehabilitation that, according to their issue price, the Food Corporation of India had owed Rs. 34.69 crores to the Government of India. According to Audit, the Food Corporation of India had paid only Rs. 25 crores till May, 1973. The Committee feel that it is only after they had taken up the examination of the subject that the Food Corporation be stirred themselves and paid another Rs. 7 crores, leaving a balance of Rs. 2.5 crores and odd for which account has to be rendered. This is very unsatisfactory and shows gross laxity on the part of both the Department and the Food Corporation of India.

The Committee feel that a proper procedure should have been devised well in advance so as to facilitate accounting. This was not done. On the other hand, the Food Corporation of India adopted a modified proforma for the despatch notes, in contravention of the instructions laid down by the Ministry of Finance in November, 1971. This is deprecated.

The Committee are totally unable to accept the explanation of the Food Corporation of India that it was not possible for them to separate the gift stock from their own stock on account of lack of identification, in view of the fact that the Food Corporation of India was duly notified by the Department of Rehabilitation that they would be receiving certain commodities for free distribution to the Bangladesh refugees and that even the advices about the shipments for Bangladesh refugees were notified to them. The Committee consider that the explanation is not acceptable and was put forward to hide serious malpractices. The Committee feel that some portion of the stores received for the Bangladesh refugees was given to unauthorised persons. They desire that this matter should be entrusted to the Central Vigilance Commission for a thorough probe and report to the Committee within six months.

The Committee note that the Food Corporation of India are claiming departmental charges and also handling charges at the airport as agents handling the supply and that these charges have not yet been calculated. The Committee would like the Department to examine what should be the legitimate handling and departmental charges payable to the Food Corporation of India. In any case, the Committee would like that full account should be rendered, without any further delay,

for all the commodities which were received by the Food Corporation of India for distribution.

[S. Nos. 8, 9, 10 & 11 (Paras 1.114, 1.115, 1.116 & 1.117) of Appendix VII to the 149th Report (5th Lok Sabha)].

Action taken

The Food Corporation of India which had handled large quantities of food and other commodities received as gift from abroad for relief to Bangladesh refugees, were called upon to undertake reconciliation of accounts for supplies and receipts as far back as May, 1973 so that the amounts payable by the Food Corporation of India could be arrived at. They were subsequently asked in September, 1973 to furnish the details of the commodities sold for which they had paid a sum of Rs. 25 crores and also to remit the balance still due from them. The matter continued to be pursued with them through correspondence and meetings. The F. C. I. had however expressed that due to certain practical difficulties they were handicapped in rendering final accounts expeditiously. In addition to Rs. 7 crores paid by the FCI in December 1974, a further sum of Rs. 59 lakhs towards sale proceeds of the commodities taken over by them has been received bringing the total amount remitted by them so far to Rs. 32.59 crores against Rs. 34.40 crores (Approximately) realised by them from sales.

2. The influx of Bangladesh refugees being sudden and unprecedented, it took time to gear up the administrative machinery. The operation of receipts and supplies of gift stock started some time in June, 1971. The detailed instructions were however, issued, by the Ministry of Finance in November, 1971 when the operations were already in full swing and appreciable portion of these stocks had already been received. The FCI were, therefore, unable to make any change at that stage in the mode of despatch and documentation of gift stocks. This matter was brought to the notice of Finance Ministry by the officers of the FCI at Calcutta.

3. According to the FCI the advance intimation regarding arrival of shipment was not received by the Port Operation Unit. Nor was such intimation received immediately after the arrival of the vessel. Again more than 100 vessels had to be dealt with within a short span of time and clearance/distribution of this very huge quantity had to be arranged on emergency basis to various destinations in the country and through variety of channels for distribution for which no pre-arranged machinery existed with them. The entire operation had to be undertaken on a war footing. Sometimes the shipping documents both for gift and commercial consignments were received from the same country and at times through the same vessel. It, therefore, became difficult, under the circumstances then prevailing to keep the receipts of these two accounts strictly separate. Further, there was a very heavy flood in West Bengal in that year which affected the planned movement of food-grains by rail/road. Some food stocks thus remained unconnected with their original documents, and, therefore, identification of gift stocks became difficult amidst the disruption caused by floods.

4. The question of making a thorough probe through the Central Vigilance Commission into the alleged serious malpractices by the FCI in giving to unauthorised persons some portion of the stores received for Bangladesh refugees, was taken up with the Department of Food. That Department informed that the FCI had a full-fledged Vigilance Organisation headed by the Manager (Vigilance & Security) who in terms of the instructions from the Central Vigilance Commission was empowered to deal with the Commission direct. That Department however informed that the Central Vigilance Commission had no arrangements to undertake investigation of the nature envisaged. The matter was accordingly entrusted to the Vigilance Division of FCI who have reported that no complaints regarding misappropriation of the stock of gift articles meant for Bangladesh refugees have been received by them or otherwise came to their notice. In the light of this report there appears to be no evidence of any malpractice in respect of the stocks.

5. As regards accounts, the FCI had reported that according to their procedure stock accounts of gift articles which they handle for others are not subject to statutory audit and as such they did not have audited stock accounts of these commodities. In the circumstances the FCI were persuaded to furnish quantitative accounts of the gift articles duly audited by their internal audit. The quantitative accounts duly audited have since been received. The rates of handling and departmental charges have already been agreed upon in June, 1972 [copy of letter No. 2(14) 72-FA dt. 8-6-1972 enclosed]. The amount of departmental and handling charges payable would be worked out with reference to these rates and the quantitative accounts and whatever further amount is recoverable from the FCI would be recovered as soon as possible.

[Ministry of Supply and Rehabilitation (Department of Rehabilitation) O. M. No. 5(2) 75—FA & BD dated 30th October, 1976].

No. 2(14)/72-FA

GOVERNMENT OF INDIA

MINISTRY OF LABOUR & REHABILITATION

(Department of Rehabilitation)

Branch Secretariat.

26, Shakespeare Sarani,
Calcutta-17.

Dated : 8-6-1972.

To

The O. S. D. (Accounts),
Branch Secretariat,
25-A, Shakespeare Sarani,
Calcutta-17.

SUBJECT :—*Payment of handling charges to the Food Corporation of India in respect of relief materials handled by them for the purpose of evacuees from Bangladesh.*

Sir,

In supersession of this Department letter of even number dated 26-5-72, I am directed to convey the sanction of the President to the acceptance of

the following charges for handling relief materials received as foreign aid for the purpose of evacuees from Bangladesh by the Food Corporation of India :—

<i>Nature of charge</i>	<i>Rate Unit</i>	
	<i>Rs.</i>	<i>Per M.T.</i>
1. Clearance at the Port	27	"
2. Gunnies where provided by Food Corporation of India	35	"
3. Transportation from Port to Depot	35	"
4. Subsequent Movement	20	"
5. Storage charges	10	"
6. Handling at Depot	4.50	"
7. Administrative Charges	12	"
8. Replacement of gunnies where necessary	1.75	"
9. Transit and storage loss	1%	

This issues with the concurrence of the Ministry of Finance (Deptt. of Expenditure), Branch Secretariat, Calcutta *vide* their U. O. No. 4049 FBS 72, dated 7-6-72.

Yours faithfully,

Sd -

(B. Bhattacharya)

*Under Secretary to the
Government of India*

Copy forwarded for information and necessary action to :—

1. The Accountant General, Commerce Works & Misc., New Delhi.
2. The Ministry of Labour & Rehab., Deptt. of Rehabilitation, Jaisalmer House, New Delhi-II (5 copies).
3. The Ministry of Finance (L & R), Jaisalmer House, New Delhi.
4. The Ministry of Finance, Branch Secretariat, Calcutta.
5. The Accountant General, West Bengal, Calcutta.
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13. The Accountant General, Central Revenues, New Delhi.
14. The Accountant General, Andhra Pradesh, Hyderabad.

15. The Accountant General, Central, Calcutta.
16. The Senior Deputy Accountant General, Commerce Works & Misc., 16-A, Brabourne Road, Calcutta—1.
17. The Food Corporation of India, 11, Bahadur Shah Zafar Marg, New Delhi (40 copies).
18. The Cash Section, Branch Secretariat, Calcutta.
19. The Accounts Officer (B&A), Branch Secretariat, Calcutta.
20. Guard File.

Sd .-

Under Secretary to the Government of India.

Further Information

- (i) FCI have so far remitted a sum of Rs. 32.66 crores as against the sale proceeds of Rs. 34.40 crores. The balance amount has been withheld by the FCI for adjustment of their claim for incidental/handling charges.
- (ii) The position was explained in reply to point 4 arising out of evidence tendered before the Public Accounts Committee on 27th Nov., 74 and 17th December, 1974, forwarded to the Lok Sabha Secretariat *vide* O.M. No. 7(67)/74-FA&BD Vol. I dated 30-1-1975. It will be seen therefrom that a reference regarding the practical difficulties experienced by the FCI in the submission of despatch notes, as per procedure indicated in Finance Ministry's note dated 23-11-71 was made by the FCI to the Ministry of Finance on 24-3-72. Earlier, the FCI had discussed these difficulties with the Officer on Special Duty, Department of Rehabilitation, Branch Secretariat, Calcutta, on 4-2-1972 and issued instructions laying down the revised procedure on 14-3-72. Since by the time Finance Ministry's instructions were issued, appreciable portion of the gift stocks had already been received and the FCI was unable to make any change at that stage in the mode of despatch and documentation of gift stocks, no further action was taken in the matter.
- (iii) The total claim of the FCI for Incidental/Handling charges is for Rs. 5,37,76,000.46, of which a sum of Rs. 3,75,65,556.00 has already been adjusted by the FCI against the advance of Rs. 8 crores given to it by the Government. The amount claimed by the FCI as payable by this Department (which includes remaining incidental/handling charges of Rs. 1,62,10,444.46 besides other charges) is Rs. 1,81,04,167.94 to be paid to this Department by FCI out of the sale proceeds of gift stocks. To settle this claim, certain information is awaited from the FCI. At present no amount is due from the FCI.

[Ministry of Supply and Rehabilitation (Department of Rehabilitation) O.M. No. 7(67)/64-FA&BD dated 15 July, 1977].

Recommendation

The Committee very much regret to observe that different figures at different points of time had been furnished by the State Trading Corporation in respect of the sale proceeds of soyabean oil, sunflower oil and

rape seed which were handled by them. The figures furnished to Audit was Rs. 17.56 crores in February, 1973 which was changed to Rs. 16.92 crores in July, 1973. In February, 1974, the Government of India stated that Rs. 16.05 crores had been received from State Trading Corporation. In a written note furnished to the Committee in January, 1975, the Department of Rehabilitation stated that the sale proceeds handled by STC amounted to Rs. 17.59 crores and out of this they had paid to the Government a sum of Rs. 16.14 crores and the balance was claimed by them as departmental charges. The Committee are unhappy that no attempt whatsoever was made till the time the Committee took up the examination of the subject to reconcile the discrepancies. The claim of STC for departmental charges appears to be an after-thought to cover up the discrepancies arising out of the sale proceeds. The Committee would desire that a thorough probe into the matter should be conducted to find out whether the figures furnished by STC are correct and whether the claim for departmental charges is at all justified. The Committee would like to be apprised about the result of the probe.

[Sl. No. 12 (Para 1.123) of Appendix VII to 149th Report (5th Lok Sabha)].

Action Taken

The matter has been examined in consultation with the State Trading Corporation in order to reconcile the discrepancies in figures of sale proceeds reported by them from time to time and to ascertain the correct and final figures in this regard for the commodities received as gift from abroad for Bangladesh refugees and handled by them. The State Trading Corporation has since furnished audited accounts duly certified by their statutory auditors and authenticated by their Chief Finance Manager. As per these accounts, the total sale proceeds amount to Rs. 18.05 crores, out of which they have made payment to the Government of a sum of about Rs. 16.64 crores in several instalments. The balance amount of about Rs. 1.41 crore has been appropriated by them towards the departmental charges. The departmental charges claimed by them are based on actuals plus 1% of the sale realisation as administrative cost. According to the State Trading Corporation, 1% administrative cost is considerably a lower rate as compared to the actuals incurred by them. However, the State Trading Corporation have been asked to consider the feasibility of charging administrative cost at a flat rate per Metric Ton as has been claimed by the F.C.I. which also had handled gift materials for Bangladesh refugees. The matter is under consideration of the State Trading Corporation who have agreed to give due credit therefor to the Government after the proposal in question is accepted by their management.

2. As regards the reasons for reporting different figures of sale proceeds at the different points of time, State Trading Corporation have reported that they were required to effect sales of the commodities in accordance with the allocations made and at prices fixed by the Department of Food. At the time when the sale proceeds were intimated, these had to be worked out at prices then prevailing and these were estimates only. As regards the difference in the figures of sale proceeds, it has been reported that it occurred mainly because of upward revision of sale price by the Department of Food. Besides, since the storage facilities available to the Corporation for commercial operations were

utilised for refugee relief also, it was found difficult for them to draw a distinct line of demarcation while rendering the provisional accounts earlier.

The above reasons given by the S.T.C. have been referred to the Ministry of Commerce, which is the administrative Ministry for STC, for examining the justification for the variation of figures and to take appropriate action.

[Ministry of Supply and Rehabilitation (Department of Rehabilitation) O.M. No. 5(2)/75-FA&BD dated 25 September, 1976].

Further Information

- (i) The State Trading Corporation have agreed to charge Rs. 12/- per M.T. as administrative cost on rapeseed which works out to $\frac{3}{4}$ % of the sales realisation as against 1% charged earlier. On this basis, the S.T.C. have also agreed to charge administrative cost @ $\frac{3}{4}$ % on Soyabean Oil and Sunflower Oil. The difference of Rs. 4,47,218.75 arising as a result of reduced administrative cost has since been paid by the S.T.C. in November 1976 in addition to Rs. 16.44 crores paid earlier.
- (ii) The Ministry of Commerce have stated that the prices for the commodities in question were fixed by the Department of Food and that the State Trading Corporation have already furnished the reasons for communicating different figures of sale proceeds at different points of time which have been incorporated in the Action Taken Note dated 24th September, 1976 forwarded to the Lok Sabha Secretariat. They have added that the complete audited accounts submitted by the S.T.C. reflected the actual position of sales realisation.

[Ministry of Supply and Rehabilitation (Department of Rehabilitation) O.M. No.7(79)/74-FA&BD dated 15 July, 1977]

CHAPTER III

RECOMMENDATIONS / OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN THE LIGHT OF THE REPLIES RECEIVED FROM GOVERNMENT

Recommendation

The Committee note that for financing the relief operations in respect of Bangladesh refugees conducted by the State Government, grants-in-aid were sanctioned as 'on account' advances with the stipulation that after the expenditure had been incurred and audited by the Accountant General, West Bengal, he would furnish the usual audit certificate to the Department of Rehabilitation within a period of three months. These 'on account' advances became part of the Consolidated Fund of the State Government and the State Government was responsible for ensuring that the expenditure was incurred on approved items in accordance with the prescribed scales. According to the Audit paragraph out of a total grant of Rs. 110.57 crores paid to West Bengal in 1971-72, only Rs. 83.07 crores appeared to have been spent by them by March, 1973 and the unspent balance of Rs. 27.50 crores had not been refunded by the West Bengal Government till October 1973. The Committee note with displeasure that there had to be protracted correspondence for as long as three years between the Department of Rehabilitation/Ministry of Finance and the West Bengal Government for the return of the unspent balance of Rs. 27.50 crores. A letter had to be written by the Union Minister of Labour and Rehabilitation to the Chief Minister of West Bengal. As matter stand at present (6th March, 1975), the up-to-date figures of total expenditure and liabilities are reported by Government of West Bengal to be Rs. 89.30 crores. The final figures of expenditure will be known when all documents are produced for Audit and the Audit certificate is received. The West Bengal Government's claim for payment of departmental charges has, however, not been acceptable to the Department of Rehabilitation so far. The Committee feel the West Bengal Government's claim has substance and should be accepted. This was a national operation and the State Government cannot necessarily be expected to bear the entire burden of departmental expenses. The Committee would like to be informed about the final outcome in the matter.

The Committee note that in March, 1972, the Department of Rehabilitation made an 'on account' advance of Rs. 40 crores to West Bengal. They regret that the Branch Secretariat of the Department of Rehabilitation stationed at Calcutta failed in their duty and did not examine whether such a huge amount of 'on account' advance was really necessary and they mainly relied on the State Government's statement that they would require these funds for relief of expenditure on Bangladesh refugees. The Committee are also very unhappy that the Ministry of Finance, which agreed to the release of the grant to the West Bengal Government, and was also responsible for examining the requirements, did not scrutinise

the demand and they entered into prolonged correspondence with the State Government of West Bengal afterwards for the finalisation of the account and the refunding of the unutilised amount. The Committee fail to understand why, in view of the fact that the State Government of West Bengal had failed to render their accounts since March, 1972, the Central Government did not adjust the unspent balance while making payments to the State Government under normal grants-in-aid.

The Committee have been informed by the Ministry of Finance (Department of Expenditure) that "for the expenditure incurred by the Ministry of Rehabilitation, that Ministry was to ensure necessary checks, or supervision for the grants given to the State Governments, they were responsible in the matter." The Committee are greatly distressed that the Department of Rehabilitation which sanctioned 'on account' advances to the State Government failed in their duty for monitoring the expenditure and ensuring that the amount granted was spent properly in connection with Bangladesh refugees. They would like to be assured that the money that was sanctioned by the Central Government for the refugees relief work is fully accounted for.

[Sl. Nos. 4, 5 & 6 (Paras 1.89, 1.90 & 1.91) of Appendix VII to 149th Report (5th Lok Sabha)].

Action Taken

The State Government with whom the matter is being pursued have reported that out of the 'On account' advance of Rs. 110.57 crores received by them, accounts for Rs. 79.97 crores (Rs. 78.46 crores according to A.G., W. Bengal) have already been submitted by them to the Accountant General, West Bengal, and that every effort is being made by them to finalise the matter. As regards the Audit certificate in respect of the accounts already submitted, the same will be issued by the Accountant General, West Bengal after the various audit objections are finally settled. Steps have already been taken by the State Government to ensure expeditious settlement of these objections. The delay in submitting accounts for the balanced amount of expenditure is reported to be due to the fact that some of the expenditure involved is under investigation by CBI, Vigilance, Police etc. Some of the cases are subjudice and in some other cases expenditure in question has inadvertently been booked under the normal head of account instead of under evacuee relief head, for readjustment of which necessary action is being taken by the departments concerned. All possible steps are being taken by the State Government to expedite submission of complete accounts to the Accountant General, West Bengal.

As regards the recovery from the State Government of the unspent balance of Rs. 21.27 crores, it has been decided that the recovery should be made from the State Government in 10 equal annual instalments commencing from the year 1976-77 onwards together with interest at 4 3/4 % per annum on the unrecovered amount at the close of each year.

The claim for payment of departmental charges has been considered. It cannot be accepted as it goes counter to the federal structure of our Government under which both the Central Government and the State Governments were to contribute their best to emergency operation

such as war etc. Besides, such departmental charges have not been claimed by any State Government nor entertained by the Central Government in the past. A large number of camps for these refugees were set up by the State Governments, and the entire expenditure including that of the field staff was reimbursed by the Centre. Further, the Finance Commission, while allocating funds for non-plan schemes, always take into account the expenditure being incurred by the State Government on its entire staff. The payment of departmental charges for staff of the State Government in connection with the Bangladesh refugees will tantamount to double payment for the same staff. In these circumstances, it has not been found possible to accept the claim of the State Government for the payment of departmental charges.

[Ministry of Supply and Rehabilitation (Department of Rehabilitation) O.M. No.5(2)/75-FA&BD dated 31 August, 1976].

Further Information

(i) The upto date position of total grant of Rs. 110.57 crores paid to West Bengal Government in 1971-72 for financing their relief operations in respect of Bangladesh refugees, is as under :

	As reported by Go- vernment of West Bengal	As reported by A. G. West Bengal
	(In crores) Rs.	(In crores) Rs.
(a) Accounts submitted to A.G.	77.15	76.37
(b) Amount of Expenditure booked by A.G.	4.21	4.21
(c) Amount for which accounts are yet to be rendered	7.94	8.72
TOTAL	89.30	89.30
(d) Amount remaining unspent (Rs. 110.57 crores minus Rs. 89.30 crores)	21.27	21.27

The State Government has been asked to reconcile the discrepancies in their figures of expenditure with those of State A.G.

As already reported it was decided to recover the unspent balance of Rs. 21.27 crores in 10 equal instalments. The first instalment of Rs. 2.13 crores was due on or before 31st March, 1977. The amount has not been refunded by the State Government so far. The Ministry of Finance has accordingly been requested to take into account the amount payable by the Government of West Bengal, each year and make adjustments when extending Central assistance to the State Government every year until the entire amount is recovered.

The State Government has not furnished the Audit Certificate in respect of the expenditure incurred against this advance. The matter is being pursued with the State Government vigorously.

(ii) As mentioned in the recommendations of the P.A.C. in S.No. 4-6 of 149th Report (5th Lok Sabha), the unspent balance of Rs. 27.50 crores was at the end of March 1973 when out of total grant of Rs. 110.57 crores, paid to the West Bengal in 1971-72, Rs. 83.07 crores were spent by March 1973. As subsequently mentioned in the P.A.C.'s recommendation, the untodate expenditure upto 6th March 1975 rose to Rs. 89.30 crores and accordingly the unspent balance worked out to Rs. 21.27 crores.

(iii) The advance of Rs. 40 crores is included in the total 'on account' advance of Rs. 110.57 crores, the position in respect of which is explained above.

Ministry of Supply and Rehabilitation (Department of Rehabilitation) O.M. No. 7(35) 74-FA & BD/Vol. III dated 30 November, 1977].

Recommendations

According to the Audit Report food articles worth Rs. 4.78 lakhs were reported to have been stolen between December 1971 and March 1972. From the interim police report dated the 17th December, 1972, it appears that huge stock of cereals was kept in the Salt Lake area. Although a decision was taken to remove the stock to Barasat and transport was provided by SDO, Barasat, the stock was not removed at the instance of the Camp Commandants and the entire stock was reported to have been kept there under the guard of some chowkidars. Subsequently stock of cereals was looted and only a small quantity of food material was recovered and sold by auction at Rs. 8,351/-. Three persons were reported to have been arrested but they were later acquitted by the court. The Committee have been informed that the explanation of the ex-Chief Commandant and ex-Additional Chief Camp Commandant, Salt Lake Evacuee Camp were called on 31-12-1974. Although it is a very serious matter, the Committee have not been appraised of what happened subsequently.

It is regrettable that no action whatever was taken against the Camp Commandant who allowed cereals worth of Rs. 4.78 lakhs to be stolen. The Committee would like an immediate inquiry to be instituted into this entire episode.

[Sl. Nos. 26 & 27 (paras 1.175 & 1.176) of Appendix VII to 149th Report (5th Lok Sabha)]

Action Taken

The trial court had acquitted the accused persons in this case, and therefore a departmental enquiry was instituted by the State Government through the District Magistrate, 24 Parganas. In their explanations the then camp officials have stated that it was not a fact that the transport provided by S.D.O. Barasat was not utilised. In fact entire FCI food materials and some other stores such as onions, potatoes etc. were sent to Barasat in the trucks on 6th and 7th March, 1972. In the mean time, it was reported that orders were received from S.D.O. Barasat's office to dispose of non-FCI food materials by auction. As such there was no further removal of non-FCI materials from the camp site to Barasat.

The District Magistrate, 24-Parganas has since completed his enquiry and submitted his report to the State Government on 5-8-1976, a copy of which is enclosed. As will be seen therefrom, it has not been found

possible to fix responsibility on any individual at this distant date. The State Government have stated that the report of the District Magistrate may be treated as final.

[Ministry of Supply and Rehabilitation (Department of Rehabilitation) O.M.No. 5(2)/75/FA & BD dated 25 August, 1976].

Shri A.K. Chatterjee, IAS,
District Magistrate.

Office of the District Magistrate, 24-
Parganas

Refugee Relief & Rehabilitation De-
partment

Govt. of West Bengal, 8, New Road,
Alipore, Calcutta-27 Dated the 5th
August, 1976.

No. RR-1393

To

The Secretary & Commissioner,
Refugee Relief & Rehabilitation Department,
Government of West Bengal,
Writers' Buildings,
Calcutta-1.

SUBJECT : *Departmental investigation on the theft of food articles worth of Rs. 4.78 lakhs in the Salt Lake Evacuee Camp.*

Sir,

In connection with the above, I am to inform you that the entire amount of Rs. 4.78 lakhs is not involved in the theft alone as per Statutory Audit Report. It is involved in pilferage, burglary and looting as below :

- (i) Pilferage (Dec' 71, January' 72 & February' 72) ;
- (ii) Burglary (25/26-2-72) ;
- (iii) Looting (22/23 & 30/31 of March, 1972).

They are now being dealt with separately as hereunder.

(i) *Pilferage*

It is evident from the Statutory Audit Inspection Report that large scale pilferage of food articles from the Salt Lake Evacuee Camp took place during the months of December, 1971, January and February 1972. There was a police camp and it further transpires that Major N. Bhaduree (Retd.) one of the erstwhile Camp Commandants of that Camp regularly reported the matter to the Sub-Inspector of Police, Salt Lake Camp Police Post. But nothing is tangible from record whether the pilferage was prevented.

However, it is needless to mention that this pilferage took at the moment when the war with Pakistan was nearing to an end the prospect of emergence of Bangladesh became bright and ultimately, Bangladesh emerged. During this critical juncture, the entire administration remained busy with the maintenance of law and order and internal security with limited resources. The situation was further aggravated by the emergence of local anti-social elements who sometime made sporadic attempts to break peace and tranquility. Besides, emergence of Bangladesh had also caused restiveness among the evacuees who took shelter in those camps for their early return to homeland and in such a situation, the administration had to pay more attention to the internal security and welfare of the evacuees and also for arrangement of their early return at any cost.

It may, therefore, be appreciated in the above analogy that it was not feasible for the administration to check the recurrence of pilferage completely.

(ii) *Burglary*

It is also evident from the said Audit Report that the alleged burglary committed on 25/26-2-72 that is almost completion of final repatriation on 29th February, 1972 and similar to the action taken on pilferage, the Camp Commandant reported the matter to the Officer-in Charge, Salt Lake Camp Police Post on 26-2-72 about the burglary of about 112/115 bags of rice on the night of 25/26th February, 1972 with the request to cause an enquiry and take suitable action.

It transpires that the articles were guarded by the recruits of purely temporary nature and also taking the advantage of the administration being busy with the repatriation of evacuees and for maintenance of internal security, the nefarious activities of local anti-social elements gained momentum. So, in spite of ensuring possible security, the burglary could not be prevented.

(iii) *Looting*

From the foregoing paragraphs, it would appear that the same leaves little scope for explaining the activities of anti-social elements and also the uncongenial conduct of the camp staff.

However, it transpires that necessary F.I.R. was lodged with the Rajarhat Police Station and the Police recovered some of the looted articles and registered a criminal case against the suspects. But the case ultimately ended in F.R.T. for want of evidence and the articles so recovered were sold by the police through auction at a cost of Rs, 8,351/-. Be it mentioned here that the matter came to the notice of the District Administration through audit report and long after the dispersal of evacuees, closure of the camps and release of the Camp officials.

However, in course of departmental investigation taken up subsequently, a controversy arose between the Police and the ex-Camp officials about the presence of police during the month of March, 1972 when the lootings took place and after protracted correspondences with the Police and ex-Camp officials, the divergent views could not be reconciled. The Camp Officials, however, denied the allegation for not utilising the vehicles sent by the S.D.O., Barasat. It is understood that the rice was shifted to Barasat. Further, it transpires that after withdrawal of Police force from the Salt Lake Evacuee Camp in connection with the General Election, there were Home Guards who had no lethal weapon to prevent lootings.

As regards shifting of other food articles to Barasat, it may be pointed out that all the items were of perishable nature and presumably, with a view to avoid further deterioration of those articles, the same were retained at Salt Lake Evacuee Camp. Immediate lifting of the same by the highest bidder was also anticipated.

So, in view of what has been stated above, apportionment of responsibility on any individual or lapse of the administration at this distant date, appears to be not feasible.

Yours faithfully,
Sd/- A. K. Chatterjee.

Recommendation

It has been reported by Audit that 1,685 tarpaulins ordered by the Deputy Commissioner, Shillong at a cost of Rs. 4.92 lakhs had been lying at Gauhati in the godown of a private firm. The Meghalaya Government decided in July 1972 to dispose of these tarpaulins but they were not disposed of till May 1973. The Committee learn from the reply furnished by the Department of Rehabilitation that although the supply of these tarpaulins was made in June 1971, these were not accepted by the Deputy Commissioner, Tura as they were considered sub-standard. These were stored at Gauhati pending finalisation of the matter. Subsequently, the State Government decided to accept delivery after suitable reduction in rate. The Committee have not been informed whether the entire stock of sub-standard tarpaulins has since been disposed of. They would like to know whether any action has been taken against the firm which supplied the sub-standard tarpaulins resulting in loss to Government.

[Sl. No. 39 (Paragraph 1.234) of Appendix VII to 149th Report (5th Lok Sabha).]

Action Taken

The State Government had earlier reported in January 1975 that supply of 1685 tarpaulins was made in June 1971 but these were not accepted by the Deputy Commissioner, Tura as these were considered sub-standard. These were stored at Gauhati pending finalisation of the matter. Later it was decided by the State Government to accept delivery after suitable reduction in rates.

2. The over-all position in regard to the supplies made by different firms was subsequently reviewed by the State Government who reported in November 1975 that only 607 and *not* 1685 tarpaulins were suspected of inferior quality. As per detailed report received from the State Government as against the orders placed on various suppliers for supply of 10,000 tarpaulins, only 3,809 tarpaulins were supplied by the various firms as indicated below :

Name of the firm	Quantity supplied
(1) M/s. Meghalaya Trade Agency	1,000 Nos.
(2) M/s. Maniram Ramnivas	800 „
(3) M/s. Bijoy Ryndem	424 „
(4) M/s. Meghalaya Enterprises	1,585 „
TOTAL	3,809

Of these, 1700 Nos. tarpaulins were received by the Deputy Commissioner, Garo Hills and 2109 Nos. by the Deputy Commissioner, Khasi Hills.

3. Against 1000 Nos. supplied by M/s. Meghalaya Trade Agency and despatched to Tura, the Deputy Commissioner, Garo Hills took delivery on 20-5-71 of only 393 Nos. and refused to take delivery of the balance of 607 Nos. as he suspected the stock to be of inferior quality.

Against the total quantity of 2385 tarpaulins supplied by M/s. Maniram Ramnivas and Meghalaya Enterprises (800 plus 1585) and despatched to Deputy Commissioner, Garo Hills on 6/7-6-1971, only 700 Nos. were accepted and the delivery of the balance of 1685 Nos. (2385—700) was not taken on the authority of the instructions from the Commissioner, Relief and Rehabilitation, Meghalaya. These were taken back to Gauhati by the Transport Contractors and kept under their custody. As regards the supply of 424 tarpaulins by M/s. Bijoy Ryndem, these were not accepted as these were supplied late.

4. As stated above the whole issue was examined by the State Government who constituted a Negotiating Committee which conducted negotiations with the suppliers concerned and finally settled the payment to the extent of Rs. 11.11 lakhs for supply of 3809 tarpaulins. This Negotiation Committee also inspected 607 tarpaulins supplied by M/s. Meghalaya Trade Agency and suspected to be of inferior quality and found them acceptable. In the circumstances the question of taking action against the suppliers does not arise. It is regretted that the earlier information supplied by the State Government has been found to be otherwise. That Government has been requested to avoid such lapses in future.

5. As against 3809 tarpaulins received by the State Government, 657 Nos. have already been sold to the other Government Departments. As regards the balance quantity, the feasibility of utilising them has been considered; but it has not been possible to make use of them for any other project/scheme of this Department. As such the State Government has been directed to dispose them of to the best advantage of Government. It has been reported by the State Government that the disposal of these tarpaulins is under examination of Evaluation Committee constituted for the purpose.

[Ministry of Supply and Rehabilitation (Department of Rehabilitation)
O.M. No. 5(2)/75-FA & BD dated 14 July, 1976].

Recommendations

The Committee note that certain consignments of blankets were donated by foreign voluntary agencies for distribution to foreign voluntary organisation in India. These consignments were sent to the Branch Secretariat of the Department of Rehabilitation, Calcutta, for facility of customs clearance. The Committee have also been informed that the Department of Rehabilitation sent the consignments received by them to the West Bengal Government for supply to certain refugee camps in West Bengal. During the course of evidence the representatives of the Department of Rehabilitation were not able to furnish information about the vouchers for the consignments of blankets which were made available to the Government of West Bengal. All that they could inform the Committee was as follows:—

“We do not have the information at the moment...The Government of West Bengal have disclaimed having received them. We have been carrying on correspondence with them. We have

found an acknowledgement given by them. We have to take it up with that Government."

The Committee are surprised that the Branch Secretariat of the Department of Rehabilitation stationed at Calcutta, which was headed by an Additional Secretary, did not possess the requisite information about the acknowledgement of the consignment of blankets by the West Bengal Government. The Committee are positive that the principal executive of the Branch Secretariat (Col. Luthra) could not be absolved of responsibility for such a state of affairs keeping in view the fact that his Secretariat was the recipient of the blankets and there was a Special Officer to look after the receipt of foreign gifts.

It is a matter of great concern that the Department of Rehabilitation has not received acknowledgements for the full consignments of blankets made over to the West Bengal Government. The Department of Rehabilitation in their written note sent to the Committee on 12th January, 1975, has stated that in regard to one consignment of 2010 packages no acknowledgement has been traced although there is a record made by the Officer on Special Duty (Airport) of the Branch Secretariat in his report dated 16th February, 1972 that the consignment was handed over to the representative of the Government of West Bengal. The Committee also regret to note that no information whatsoever is available with the Department of Rehabilitation as to the actual distribution of blankets to the refugees by the foreign charitable organisations in Calcutta which received the donations from their counterparts abroad. This is a most unsatisfactory situation. The Committee consider that this should be investigated into thoroughly and suggest that the case should be referred to the Central Vigilance Commission/C.B.I. for expeditious inquiry and stern action against the officials concerned.

[Sl. Nos. 42, 43 & 44 (Paras 1.246, 1.247, 1.248) of Appendix VII to 149th Report (5th Lok Sabha).]

Action Taken

In all, 17 consignments of blankets comprising of 21,452 packages, 1235 bags and 95 bales, consigned by the Christian Aid, U.K. were received at Dum Dum airport for relief assistance to Bangladesh refugees. Of these, 9 consignments totalling 12,002 packages/bales of blankets were handed over to the Government of West Bengal for distribution in the refugee camps. The State Government have since confirmed the receipt of these blankets and have reported that all these blankets were duly distributed to the Bangladesh refugees in camps and/or diverted to Bangladesh consequent on repatriation of these refugees *excepting* 795 packages and 25 pieces. While 795 packages of blankets are reported to have subsequently been distributed to the distressed people of the locality as normal relief as per orders of the Government of India the remaining 25 pieces of blankets are still held in stock in the Government Relief Store.

As regards the remaining 8 consignments received between 10-1-1972 and 12-1-1972 comprising 9450 packages, 1235 bags and 95 bales of blankets these were handed over to the authorised representative of the United Relief Services, Calcutta for distribution to the Bangladesh refugees in camps as the Government of West Bengal were no longer willing to undertake distribution in the camps from where refugees had started returning to Bangladesh by them. The United Relief Service, Calcutta acted as a coun-

terpart in India of the Christian Aid in U.K. The issue vouchers of these consignments were duly signed by the two representatives, on behalf of United Relief Service and Christian Aid for United Relief Service. Since this Organisation i.e., United Relief Service is no longer in existence, the matter was taken up with the Christian Aid, U.K. through Indian High Commission, London. The Christian Aid have now given a certificate confirming that :

“With respect to 17 consignments of blankets sent by Christian Aid to India between November, 1971 and January, 1972 for distribution to refugees from Bangladesh, Christian Aid as the principals are satisfied with regard to the action taken by the Government of India in handing over the blankets to United Relief Service, Calcutta, for distribution amongst refugees. No further accounting for these blankets is required from the Government of India.”

It will be seen from the position explained above that all the consignments of blankets were duly accounted for distribution to Bangladesh refugees (excepting a small number) and that necessary certificates etc. have been obtained from the authorities concerned. In the circumstances the Government have not considered it necessary to refer the case to the Central Vigilance Commission/CBI for enquiry.

[Ministry of Supply and Rehabilitation (Department of Rehabilitation)
O.M. No. 5(2)/75—FA & BD dated 5 May, 1976].

CHAPTER IV
RECOMMENDATIONS/OBSERVATIONS REPLIES TO WHICH
HAVE NOT BEEN ACCEPTED BY THE COMMITTEE
AND WHICH REQUIRE REITERATION

Recommendation

The Committee regret to note that while claims for the Calcutta Port Trust were filed between April, 1972 and July 1973, none of the claims have been finalised and these are still being pursued. As considerable time has elapsed since the filing of the claims, the Committee require that the matter should be pursued vigorously and the claim cases finalised without further delay. The Committee would like to be informed about the position in regard to the claims for other articles, *viz.*, soyabean oil, rape-seed, sunflower oil, cotton and kerosene oil which were handled by STC. These too should be finalised without further loss of time and a report submitted to the Committee of the progress made after two months.

[Sl. No. 3 (Para 1·67) of Appendix VII to 149th Report (5th Lok Sabha)].

Action Taken

A statement indicating particulars of short landing claims lodged by F.C.I. with the carriers, as furnished by FCI, is enclosed. Out of 37 claims, 33 claims are time-barred. Out of these 33 claims, the Shipping Agents had requested FCI to adjust the shortages in respect of 20 claims against sweepings cleared by FCI. The matter is being pursued by FCI with the Shipping Agents. In regard to the remaining 13 claims, which have not been accepted by the Shipping Agents, the matter is being pursued with them for extension of time limit. The FCI is ascertaining the circumstances leading to these claims being allowed to get time-barred. In the case of the remaining 4 claims (37-33), replies in respect of 2 of these claims are still awaited from the Shipping Agents. For the other 2 claims, the Shipping Agents have indicated that the matter was receiving attention as the claims were being handled by the Department of Agriculture, New York. The matter is being pursued vigorously with the Shipping Agents by the FCI with a view to finalising the claims at the earliest.

2. The State Trading Corporation handled rape-seed, sunflower seed oil and soyabean oil. They did not handle cotton and kerosene oil. The consignments of rape-seed, soyabean oil and sunflower seed oil were received under the World Food Programme. In all such cases, chartering of vessels and Marine Insurance of the Cargo were arranged by WFP. No charge invoice was issued by the donor agencies. At the time of clearance of the consignments, the WFP was consulted by STC regarding the procedure to be followed in preferring claims for shortages on carriers as well as under-writers. The STC were given to understand that this part of the problem would be taken care of by the donor agencies. The Survey Reports received were forwarded to WFP

for such action as might be considered necessary by them. No claim was required to be filled by STC.

3. A statement showing the details of gift articles handled by the STC together with the names of vessels, quantity received, shortages etc. is enclosed. In this connection a copy of letter dated 9-12-1975 received from USAID, New Delhi is also attached.

[Ministry of Supply and Rehabilitation (Department of Rehabilitation) O.M. No.5(2)/75-FA&BD dated 1 July, 1976].

Further Information

As already intimated 33 short landing claims out of 37 cases were time-barred. The Food Corporation of India have now reported that one more short landing claim has been rejected as time-barred; one claim has been settled by the Shipping Agents with the Commodity Credit Corporation, United States, Department of Agriculture, at New York and final reply in respect of two claims is still awaited from the Shipping Corporation of India.

As to the request of the Shipping Agents to the Food Corporation of India to adjust the shortages in respect of 20 claims (out of 33 claims turned down earlier as time-barred) against sweeping cleared by FCI, a report has been called for from the Food Corporation of India.

[Ministry of Supply and Rehabilitation (Department of Rehabilitation) O.M. No.7 (80)/74-FA&BD dated 12 August, 1977].

UNITED STATES OF AMERICA AGENCY FOR INTERNATIONAL DEVELOPMENT NEW DELHI

December 9, 1975.

Mr. Ashok Lal,
Deputy Marketing Manager,
State Trading Corporation of India,
Chandralok 36 Janpath,
NEW DELHI-110001.

Dear Mr. Ashok Lal,

In reply to your letter No. STC/OF/SS/22/71-Vol. III dated November, 15, 1975 it is confirmed that the following out-turn reports received from your office were forwarded to our headquarters in Washington on the dates indicated against each vessel :

Washington Trader	December 14, 1971.
Guadalupe	August 24, 1972.
Stolt Stuart	January 15, 1973.

Since all marine loss claims for PL 480 Title II commodities are handled by AID/Washington directly and we have not heard anything from them on this subject, we assume appropriate action has already been taken by them.

Sincerely yours,

Sd/-

(A. D. Dominquez)
Chief Food & Agriculture Divn.

Gift parcels of Soyabean Oil, Sunflower seed Oil and Rapeseed for Bangladesh Refugees

Sl. No.	Name of Vessel	Date of arrival	Quantity shipped as per Bill of Lading	Quantity discharged as per survey Reports	Quantity shortage	Date on which/S/ Reports went to Donor Agency
SOYABEAN OIL						
1	Washington Traders	21-10-71	16,762.943	16,656.812	106.131	23-8-72 to USAID
2	Guadalupe	9-12-71	15,452.284	15,395.251	57.033	Do.
3	Stolt Stuart	11-2-72	18,636.253	18,504.950	131.303	4-9-72 to USAID
4	Jagjyoti	25-6-72	8,347.620	8,291.947	55.673	10-7-72 to Surveyors of World Food Programme Quantity discharged also intimated on 5-8-72.
SUNFLOWER SEED OIL						
1	Alexeevka	7-12-71	2,996.880	2,983.775	13.105	Discharged quantities were intimated to USSR—Trade Representation on 11-1-72.
RAPESEED						
1	President Roxas	4-9-71	7,168.284	7,146.272	22.012	Survey Report sent to WFP on 8-11-71.
2	Jaladubita	Nov. 71	1,473.930	1,394.500	79.430	Sent to WFP on 6-9-72.
3	Phillipine Admiral	18-7-72	*8,695.999	5,588.420	563.152	Sent to WFT on 15-9-72
4	Mahavikram	2,544.427

*This vessel could not carry the entire quantity to Calcutta due to draft problem. Therefore, part quantity had to be discharged at Visakhapatnam from where the reshipment was arranged per vessel Mahavikram which discharged a quantity of 2,544.427 m/t at Calcutta.

Detailed particulars of claims lodged in respect of vessels account Bangladesh—Liner Vessels

Sl. No.	Name of Vessel & date of arrival	Commodity	Lino No.	Quantity as per Bill of lading	Claim lodged No. of Bags and Weight	Date of lodging of claim	Procedure followed B-Form No. & date.
1	2	3	4	5	6	7	8
1	S/S Revda (1-7-71)	Broken Rice	1	5 50736 Bags =3524·280Kg (N)	208 Bags =14448 Kg. (N)	30-4-73	9/03/1 dt. 21-8-71
2	„ Iran Brilas (25-10-71)	Rice	2	42032 Bags =43048·000 Kg. (N)	1406 Bags 101·901 Kg(N)	12-5-73	24/3CRJ dt. 28-3-72
			1	58,207 Bags 4,137·427 Kg.(N)		12-5-73	88/4-CRJ dt. 2-12-71
3	„ Lynton (10-10-71)	Rice	1	11891 Bags 8630·283 Kg.(N)	1872 Bags. =121·345 Kg. (N)		
4	„ Ever Life (4-10-71)	Rice	1	70066 Bags =5099·525 Kg.(N)	1781 Bags =129·263 Kg. (N)	5-6-73	1/3 dt. 14-c-72
			2	53874 Bags 3695·898 Kg. (N)			
		Empty Gunny	3	3780 Bags =3·856 Kg. (N)	1785 Bags 1·821 Kg. (N)	5-6-73	2/3 dt. 14-3-72.
5	S/S Michurin (9-11-71)	Crushed Rice	160/61	6684 Bags =3903·949 Kg. (N)	1080 Bags =60312 Kg. (N)	2-5-73	1/3 Rgd. dt. 6-3-72
6	„ Spasak Delrey (1-11-71)	Broken Rice	1	57715 Bags =3542·790 Kg. (N)	3965 Bags =343·388 Kg. (N)	24-6-73	C/2/106 dt. 12-5-72

7	„ Buchaya State (16-11-71)	C.S. Milk	90491	1,20,000 Bags =2721.600 Kg. (N)	597 Bags =13.540 Kg. (N) +6.515 Kg. Survey Shortage	13-7-73	12/B-RID/C dt. 18-5-72
8	„ Kumrovec (21-11-71)	Husked Rice	50	1,07,16p Bags 5358.000 Kg. (N)	2,773 Bags =138,800 Kg. (N)	30-4-73	BSC/R/63/1 dt. 20-6-72
9	„ V. Khommunke (29-1-71)	Broken Rice	1	59418 Bags 3785.984 Kg. (N)	951 Bags =60.595 Kg. (N)	4-5-73	C/11/63 dt. 6-1-72
10	„ Molachansk (25-8-71)	Crushed Rice	80 & 81	49996 Bags =2900.465 Kg. (N)	2122 Bags =123.325 Kg. (N)	2-5-73	16/2/HRD dt. 2-12-71 17/2-KD dt. 2-12-71
11	„ Chalychimak (29-7-71)	Broken Rice	1 2. 3 Cip dt. 4-8-71	54171 Bags =3852.244 Kg. (N)	1034 Bags 63.405 Kg. (N)	23-6-73	0/1/21 dt. 23-9-71
12	„ Anton Fokerenke (30-7-71)	Crushed Rice	67	29978 Bags =2098.460 Kg. (N)	1581 Bags =110.670 Kg. (N)	8-5-73	3/16 dt. 7-11-71
13	„ Niresagaidol (7-12-71)	Broken Rice	1 & 2	59066 Bags =3756.420 Kg. (N)	440 Bags 27.962 Kg. (N)	3-5-73	HSC-9/1 dt. 14-2-72
14	„ Morshenal (16-12-71)	Crushed Rice	56	7947 Bags =392.641 Kg. (N)	409 Bags =20.807 Kg. (N)	24-6-73	24/D-RDD dt. 28-3-71
15	„ Tarpen Swift (30-11-71)	Rice	1 & 2	98,000 Bags 6099.988 Kg. (N)	1,221 Bags 86.389 Kg. (N)	3/7-6-73	5/8 RGD dt. 1-7-72 6/2 RGD dt. 1-7-72
				1400 Bags 1016.400 Kg. (N)			
				99,400 Bags =7916.388 Kg. (N)			
		Empty Gunny	3	3360 Bags=3427 Kg. (N)	3360 Bags=3.427 Kg. (N)	3/7-6-73	7/2 RGD dt. 1-7-72

1	2	3	4	5	6	7	8
16	S/S Alary Teletory (19-12-71)	Crushed Rice	78 & 78	43007 Bags 2726.522 Kg. (N)	1062 Bags 67.328 Kg. (N)	3/7-6-73	C/29/29/2 dt. 16-3-72 3/29/29/1 dt. 16-2-72
17	„ Margalam (6-11-71)	Crushed Rice	1	59229 Bags 4085.554 Kg. (N)	249 Bags 37.869 Kg. (N)	24-6-73	92/4-CRJ dt. 15-1-72
18	„ Ratantwayer (14-9-71)	Rice	7 & 9, 10 14 & 15	7,000 Bags- 498.572 Kg. (N)	66 Bags 4.714 Kg. (N)	2-5-73	FBC-3/1 dt. 26-10-71
19	„ Babaskin (29-9-71)	Rice	82 & 83	55.575 Bags 3354.536 Kg. (N)	368 Bags 33.922 Kg. (N)	27-6-73	8-BRCC/B dt. 30-9-72 3/BRCD/B dt. 30-9-72
20	„ Tarpan Sea (6-11-71)	Rice	3	96,000 Bags 6899.988 Kg. (N)	1141 Bags 89.934 Kg. (N)	10-5-73	C/22/5 dt. 22-6-72
		Sugar	1	6,171 Bags 245.334 Kg. (N)	47 Bags 3.567 Kg. (N)	27-6-73	C-25/4 dt. 22-4-72
21	„ Velery Velbov (15-12-71)	Crushed Rice	1	68.709 Bags 4108.876 Kg. (N)	491 Bags 29.362 Kg. (N)	24-6-73	C-2/58 dt. 7-2-72
22	„ Inchona (2-12-71)	Empty Bags	2	3570 Bags 3641 Kg. (M)	3570 Bags 2,641 Kg. (N)	14-6-73	C-2/6 dt. 29-6-72
23	„ Partisan Bonivur (7-1-73)	Crushed Rice	36 & 37	43,114 Bags 2554.922 Kg. (N)	190 Bags 7.704 Kg. (N)	5-7-73	S/63/1 dt. 7-3-73
24	„ Mar-at-easy (23-12-71)	Crushed Rice	1	52871 Bags 3647.493 Kg. (N)	341 Bags 23.585 Kg. (N)	4-5-73	HSC/9/1 dt. 14-2-72
		Broken Rice	2	2164 Bags 141.365 Kg. (N)	764 Bags 50.258 Kg. (N)	4-5-73	HSC/9/2 dt. 14-2-72
25	„ Bargusin (5-1-72)	Rice	1	61346 Bags 3615.802 Kg. (N)	676 Bags 39.586 Kg. (N)	2-5-73	HSC/3/1 dt. 14-2-72
26	„ Milcrovo (22-1-72)	Crushed Rice	20	4582 Bags 344.540 Kg. (N)	46 Bags 3.220 Kg. (N)	2-5-73	C-28/1 dt. 17-3-72

27	„ Inchona (31-12-71)	Rice	3	70,329 Bags 5103'290 Kg. (N)		2-CJ/3 dt 10-3-72
			2	14,000 Bags 1016'064 Kg. (N)	784 Bags 56'917 Kg. (N)	14-5-73 C-CJ/2 dt. 10-3-72
			1	21,005 Bags 1527'725 Kg. (N)		2-CJ/1 dt. 10-3-72
28	„ Inchona (28-1-72)	Rice	2	62334 Bags 4523'950 Kg. (N)	904 Bags 65'666 Kg. (N)	23-5-73 HSC-9/1 dt. 20-4-72
29	„ Turkistan (19-1-72)	White Rice	2	32,17 Bags 1605'305 Kg. (N)	270 Bags 13,500 Kg. (N)	23-5-73 C-9/1 dt. 23-2-72
30	„ Kapitan Lyutikoc (10-3-72)	B. Rice	1	13,192 Bags 923,440 Kg. (N)	427 Bags 29,890 Kg. (N)	3/7-6-73 C-2/105 dt 6-5-72
31	„ Firgy (12-2-72)	Husked Rice	2	51,034 Bags 2551'700 Kg. (N)	4302 Bags 215'100 Kg. (N)	14-6-73 HSC-7/1 dt. 23-3-72
32	„ Almor (7-3-72)	Rice	1 & 2	152,400 Bags 7620'000 Kg. (N)	3890 Bags 194'500 Kg. (N)	26-7-73 C-24/1 dt. 26-4-72
33	„ Marinak	Rice	25 & 27	4999 Bags 349'930 Kg. (N)	309 Bags 19'290 Kg. (N)	2-5-73 C-29/MC/4 dt. 24-4-72 C-29/MC/3 dt. 24-4-73
			24 & 26	3045 Bags 152'250 Kg. (N)		
34	„ Hugh Everett. (1-2-72)	Instant Cereal	65	1703 Bags 36067 Kg. (N)	3 Bags 0'064 Kg. (N)	19-6-73 8/CJ/7 dt. 19-4-72
35	„ Vishva Jyoti (14-8-72)	Milled Rice	51	144,106 Bags 6416'954 Kg. (N)	603 Bags 26'848 Kg. (N)	27-6-73 36/3-CRJ/7 dt. 6-11-72

1	2	3	4	5	6	7	8
36 S/S	State of Madhya Pradesh (5-8-72)	Milled Rice	5	3600 Bags 160.291 Kg. (N)	52 Bags 2.315 Kg. (N)	23-6-73	C-29/SW/2 dt. 13-9-72
37 „	Mytistchi (7-1-72)	Crushed Rice	82, 83, 84 & 85	70843 Bags 4366.910 Kg. (N)	1427 Bags 87960 Kg. (N)	25-6-72	

N.B.—The statement is exhaustive and there is no other case of shortlanding.

Sd/-
Assistant Manager
(Gift A/cs)

Sd/-
District Manager
(Dock) 24-6-75

1. S/Agent requested FCI to adjust shortage against sweepings cleared by F.C.I. : Sl. Nos. 5, 6, 8, 10, 11, 12, 13, 14, 16, 17, 19, 21, 22, 23, 24, 25, 26, 29, 30 & 33.
2. Claim not accepted by S/Agent due to being time barred. S/Agent persuaded to extend time limit and again matter being pursued Sl. Nos. 1, 2, 3, 4, 9, 15, 22, 27, 28, 31, 32, 34 & 37.
3. No reply received from S/Agents Cases are being closely pursued Sl. No. 35 & 36.
4. S/Agents replied that matter is receiving attention Sl. No. 18.
5. S/Agent stated that the claim case is being handled by the Deptt. of Agriculture, New York Sl. No. 7.
6. Cases are being closely pursued.

CHAPTER V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH GOVERNMENT HAVE FURNISHED INTERIM REPLIES

Recommendation

The Committee have noted from the reply furnished by the State Government to the Department of Rehabilitation that responsibility for excess payments to coal contractor in Sabuipur and Chauberia camps would be fixed after scrutiny of the case in respect of the former and receipt of police report in respect of the latter. The Committee are greatly concerned over the delay in completion of the enquiries although the Accountant General, West Bengal's Inspection Report was made available to the State Government as far back as 21st February, 1973. The Committee would desire that the proceeding should be conducted vigorously and a report of the action taken communicated to them within three months.

As regards foodgrains in the stock account in Ranaghat, the Committee have been informed only on 26th March, 1975 that "the relevant muster rolls showing distribution there have since been verified by the A. G., West Bengal. Stock registers for the subsequent period have also been traced out and are being produced to Audit along with connected muster rolls. As regards stock registers of two camps in Hanskhali, Nadia, relating to accounting of wheat worth Rs. 2.55 lakhs, these have since been produced and got verified by the A.G., West Bengal on 6-3-75." The Committee regret the delay in producing the papers to the Audit in regard to the purchase of food-articles.

The representative of the Department of Rehabilitation in this evidence before the Committee endeavoured to explain that the responsibility in this matter lay with the State Government who had an organisation in respect of the camps in West Bengal and the Department of Rehabilitation had a tremendous amount of work in connection with the procurement and marshalling of material. The Committee consider that the Branch Secretariat at Calcutta which maintained a costly establishment should have exercised the necessary check to ensure that there was no mismanagement of the aid given by the Government of India. It was the duty of the additional Secretary incharge of the Branch Secretariat to bring to the notice of the Government of India as to what was happening in the camps and not merely rely on the infrastructure which the State Government had reportedly built up for supervision and management of the camps. The Committee would like that investigation should be conducted expeditiously and responsibility for the lapses fixed. The Committee would like to be apprised about the result of the investigation and a report furnished to them without delay.

In regard to purchase of mustard oil worth Rs. 0.47 lakh which was not received in various camps in Garo Hills of Meghalaya and mustard oil and rice worth Rs. 1.15 lakhs not taken in stock account of various camps

in the same district, the Committee have been, told that the Deputy Commissioner, Garo Hills, is being directed to investigate the matter and submit a report to the State Government. The Committee regret that the Department of Rehabilitation has not been able to process the case with the zeal and vigour that it deserved. Although the Audit Report was with the Department for quite some time, nothing has been done to pursue the matter with the State Government concerned. The Committee see no justification for having a top-heavy administration when things cannot be detected within a reasonably short-time. The Committee feel that such cases of lapses should have been enquired into the movement they came to light and not allowed to be dragged on for a number of years so that the persons who frittered away or misappropriated Government money could escape scot-free.

As regards the observations of Audit that a Sub-divisional Officer of Udaipur purchased food articles worth Rs. 9 lakhs from about half a dozen suppliers, the Department of Rehabilitation have informed the Committee that the State Government is making a special investigation in the matter through the appointment of a special Investigating Officer on 5th June, 1974. The investigation is stated to be in progress. The Committee would like to be informed of the result of investigation.

The Committee have been informed that a charge-sheet has been filed in the case regarding non-accountal of 240 quintals of rice out of 459.80 quintals valued at Rs. 0.31 lakh supplied by the Food Corporation of India to Serfunguri camp in Assam has been charge-sheeted and the case is now *sub judice* in Kokrajhar Court. They have also been informed that the matter regarding the non-accountal of 208 quintals of wheat out of the food-stuffs supplied to Mancachar and Borkona camps in September/October 1971 by the Food Corporation of India has been reported to the police for filing a case against the carrier contractors on 20th April, 1974. The Committee would like that the cases should be pursued vigorously with a view to fixing responsibility.

[Sl. Nos. 13, 14, 15, 16, 17 & 18 (Paras 1.132, 1.133, 1.134, 1.135, 1.136 & 1.137) of Appendix VII to 149th Report (5th Lok Sabha)].

Action Taken

Supply of Coal.

(a) Sabuipur camp (Rs. 27,640/-)

An ex-Camp Commandant of this camp has been found responsible for excess payment. F.I.R. had been lodged with the police on 27th February, 1975 against him. The matter is still under investigation with the police. The District Magistrate, 24-Parganas is, however, being reminded regularly to see that the matter is expedited and his final report submitted early.

(b) Chauberia camp (Rs. 80,750/-)

An ex-Camp Commandant of this camp was found responsible for this excess payment against whom F.I.R. was lodged with the police on the 20th December 1972. The police report is still awaited. The District Magistrate, 24-Parganas is, however, being reminded regularly to see that the matter is expedited and his final report submitted early.

Supply of foodgrains and vegetables at Ranaghat

As regards food-stuff valued at Rs. 32.76 lakhs, the stock register of food-stuff and muster rolls for the period upto 19-12-71 have since been seen by Audit. The delay in producing these papers to audit is reported to be due to the fact that the relevant records had been seized by police which could not be released earlier.

As regards non-receipt of wheat worth Rs. 2.55 lakhs, the relevant records relating to the accounting of wheat have already been produced and got verified by the Accountants General, West Bengal on the 6th March, 1975.

It has now been reported by the State Government of West Bengal that the original objection as included in the Audit Report has since undergone some changes as indicated below:—

Stock register of food-stuff at Kalyani Camp No. 7 in Ranaghat for the period from 20-6-71 to 16-9-71 which had been seized by Police was subsequently received back. The same together with Muster Rolls and daily store receipt register for the period from 17-9-71 to 19-12-71 subsequently traced out were made available to the audit party of the Accountant General, West Bengal in June 1975. After further investigation of the relevant records of the Camp, the Accountant General, West Bengal has observed *inter alia* that no account of closing stock valued at Rs. 8,87,737/- was available, out of which food-stuff worth Rs. 1.23 lakhs was still not accounted for in the stock account.

The matter was taken up with D.M. Nadia in the light of further observation of Audit. As per reply furnished by D.M., Nadia (December 1975), a further investigation was made and it has been found from the stock book of Central Stores at Banpur that the then Camp Commandant of Kalyani Camp No. 7 deposited 101 quintals 54 kg. of rice valued at Rs. 14,216/-. Thus the amount of unaccounted food-stuff comes to Rs. 8,73,521/— (Rs. 8,87,737-Rs. 14,216/-).

Out of the above unaccounted amount, payment of Rs. 1.23 lakhs was made to the suppliers of dal and potatoes, on the strength of the stock entry certificates given by the then Camp Commandant on the body of the sub-vouchers. Actually, however, no such entry has been made in the stock book. For the balance amount both the aforesaid ex-Camp Commandants are reported to be involved.

The matter was, therefore, referred to the State Vigilance Commission in December, 1975 for thorough investigation and fixation of responsibilities for the loss. At the instance of the Vigilance Commission, however, the case has been referred to the D.I.G. (Enforcement Branch) of the State Police on 9-2-76 for necessary investigation, a report of which is still awaited. The State Government are, however, keeping a close watch and pursuing the matter to get it expedited.

As per instructions issued by the Government, the Branch Secretariat were required to forward daily reports highlighting problems arising out of refugee relief work. A copy of the same is enclosed.

Administrative instructions for transit relief camps for refugees were also issued by the Branch Secretariat in September, 1971. Besides, Branch Secretariat, officials went round the camps to check the state of working of the camps with a view to remove bottlenecks, if any, in supply and movement. Meetings were also periodically held in the Branch Secretariat with the officials of the State Governments and the supplying agencies. Additional Secretary also visited the various camps and brought to the notice of the State Government and Governor of West Bengal the various shortcomings he found during the visits.

Supply of Mustard oil

The Government of Meghalaya have reported that they have appointed the Commissioner of the Division as Enquiry Officer to make a complete inquiry in all matters appearing in the C.A.G.'s Report. The Commissioner of Divisions has been requested by the State Government to expedite his report.

Purchase of food articles

The State Government have reported that the Special Investigating Officer has furnished his report and the explanations obtained from the concerned Officers are under examination of the State Government.

Non-accountal of food supplies.

It has been reported by the State Government that in the case of shortage of 240 quintals of rice, the accused has been convicted under Section 411 Indian Penal Code and sentenced to R.I. for one month. As regards the other case of shortage of 208 quintals of wheat, the case is still pending in the Court of Law.

[Ministry of Supply and Rehabilitation (Department of Rehabilitation)
O.M. No. 5(2)/75-FA & BD dated 21 June, 1976].

PROFORMA FOR DAILY REPORT FROM BRANCH SECRETARIAT HIGHLIGHTING PROBLEMS ARISING OUT OF REFUGEE RELIEF WORK

REPORT FOR.....(DATE)

1. General assessment on the flow of influx. (Mention here whether influx is picking up or tapering off in relation to flow on the pervious day).

2. Whether the ration between camp and non-camp population is generally constant or there is appreciable variation resulting in increase in camp population and decrease in non-camp population.

3. Is there any substantial increase in the flow of influx through particular points e. g. Nadia, 24 Parganas, Sabroom Cachar etc. If so, the reasons, if any.

4. Position about the return of refugees to East Bengal. (If any substantial number of refugees are returning to East Bengal, indicate places from which they left and reasons therefore if known).

5. Progress of dispersal of refugees from West Bengal and Tripura (indicate firm programme *vis-a-vis* progressive dispersal).

6. Important problems connected with administration of Central and State Camps (while indicating precise problems, please mention particularly the action required to be taken by Main Secretariat or other Ministries at Delhi).

7. General report on medical care and sanitary measures in Central and State Camps (Mention, in particular, steps, if any, required to be taken by the Main Secretariat in consultation with the Health Ministry to arrest spread of any communicable diseases in an epidemic form).

8. General Statement regarding supply of roofing materials etc. and foodgrains (highlighting action to be taken by the Main Secretariat, if any).

9. Position regarding opening of Central Camps in States (indicate number already established and number proposed to be established with sites selected and the capacity for each site finally decided).

10. General (indicate law and other problems, if any created due to presence of refugees in any sensitive area etc. etc.).

Further information

As reported by the State Governments concerned, the latest position in respect of each of these cases is indicated below:—

(i) Supply of coal at Sabvipur and Chauberia Camps

It has been intimated by the Inspector General of Police, West Bengal that both these cases have already ended in F.R.T. (Final Report True). Final report from the District Magistrate, 24-Parganas, is, however, still awaited by the State Government.

(ii) Supply of foodgrains at Kalyani Camp

The preliminary enquiry report received from the D.I.G. (Enforcement Branch) was referred back to the Vigilance Commission. The enquiry report was thereafter discussed by the D.I.G., Anti-Corruption Bureau, Vigilance Commission with the Special S.P. and the Investigating Officer of the Enforcement Branch. The Enforcement Branch was advised by the D.I.G., Anti-Corruption Bureau to complete the enquiry and to lodge a formal F.I.R. case with the approval of the DIG (EB). The case was accordingly referred to the D.I.G. (EB) again on 19-11-76. As

per latest report dated 5-7-1977, of the DIG(EB), a case U/S 409 IPC has been registered at Haringhata P.S. on 3-2-77 on the written complaint submitted by the SDO Ranaghat against the then two Camp Commandants Kalyani camp No. 7. The investigation of the case is proceeding.

(iii) (a). *Supply of mustard oil*

Final report from the State Government is still awaited.

(b) *Purchase of Food articles*

The State Government have reported that this case has since been dropped and no further action in the matter is necessary.

(c) *Non-accountal of food supplies (shortage of 208 quintals of wheat).*

Final report from the State Government is still awaited.

[Ministry of Supply and Rehabilitation (Department of Rehabilitation)
O.M.No. 7(51)/74-FA & BD dated 26th July, 1977]

The State Government have since reported that the complete report of enquiry in the cases of irregularities appearing in the Report of both the Central and State Public Accounts Committees in regard to Bangladesh refugee relief operations 1971, is expected to be submitted to them by the end of this year. The delay is reported to be due to the fact that the task is gigantic one besides being voluminous in nature.

[Ministry of Supply and Rehabilitation (Department of Rehabilitation)
O.M. No. 7(51)/74-FA & BD dated 13 September, 1977].

Recommendations

In regard to observations of Audit that rations/cash doles worth Rs. 3.49 lakhs were shown as distributed to persons whose names did not appear in the records of the camps in West Dinajpur and Ranaghat, the Department of Rehabilitation have, on the basis of the information supplied by the West Bengal Government, informed the Committee that due to sudden influx of refugees resulting in difficulties, it was not possible to maintain the register etc. properly. As such the writing off of the loss of Rs. 2.21 lakhs in regard to Ranaghat camp was under consideration. The matter regarding Rs. 1.28 lakhs concerning West Dinajpur was under examination. The Committee would like that full details of the cases as also the results of enquiries conducted in the matter should be reported to them. The Committee are not satisfied with the explanation that "Irregularities having been pointed out by Audit long after the repatriation of evacuees and closure of camps, there was no scope for verification of the irregularities." The Committee are firmly of the opinion that it was for the Department of Rehabilitation which maintained a Branch Secretariat at Calcutta to keep themselves fully posted with the developments in each camp. The Committee regret that necessary surveillance was not kept by the Department in this respect and the Government should fix responsibility for the lapse for appropriate action under advice to the Committee.

The Committee are concerned to note that in Meghalaya, mustard oil and pulses worth Rs. 5.12 lakhs were shown as issued between September, 1971 and January, 1972 to refugees in Sibbari Camp in Garo Hills in excess of the quantity admissible according to the prescribed scales. It is surprising that after a lapse of about three years, it has been reported that the State Government propose to approach Government of India for according *ex-post facto* sanction to waive the prescribed scale and allow the scale at which the food articles were actually issued to refugees, as a special case, in view of the peculiar circumstances. The Committee would like to know what the final decision in this regard is.

[Sl. Nos. 21 & 25 (Para 1.158 & 1.162) of Appendix VII to 149th Report (5th Lok Sabha)].

Action Taken

(1) Issue of rations/cash doles worth Rs. 3.49 lakhs to refugees whose names did not appear in the records of the camps.

The Government of West Bengal have examined the case further in consultation with the Accountant General, West Bengal and the present position in this regard is reported as under :—

(a) *West Dinajpur—Rs. 1.28 lakhs*

The cases were reported to the police and the entire matter is still under investigation to find out the reasons and the circumstances under which dry doles were distributed to persons whose names did not appear in the Admission Register. Further action will be taken on the basis of the report of the investigation. The authorities concerned have been reminded by the State Government to complete investigation.

(b) *Ranaghat—Rs. 2.21 lakhs*

As a result of further investigation/verification in consultation with the Accountant General, West Bengal, it is found that the amount involved actually works out to Rs. 34,520.00 only, after taking into account all the Admission Registers of the camp. F.I.R. has already been lodged with the police against the ex-Camp Commandant for the loss in question. The matter is still under investigation by police.

(2) *Issue of mustard oil and pulses in excess of the prescribed scales.*

The State Government of Meghalaya have reported that they have already appointed the Commissioner of Divisions to enquire into these matters and submit report for action. His report is still awaited.

[Ministry of Supply and Rehabilitation (Department of Rehabilitation) O.M. No. 5(2)/75-FABD dated 21st August, 1976].

Further Information

- (i) The latest position in respect of both these cases, as reported by the State Government, is indicated below :—
- (a) *Excess drawal of dry doles worth Rs. 1.28 lakhs in West Dinajpur.*

The matter was investigated by an Officer of the West Bengal Civil Services and the report of investigation in this regard received from the District Magistrate, West Dinajpur revealed that four Camp Assistants along with four other regular employees who acted as Officer-in-charge of the respective camps and one B.D.O., had been found responsible for the loss. In respect of the four regular employees and one B.D.O., departmental action had been recommended by the Investigating Officer. The matter is under consideration of the State Government.

- (b) *Excess drawal of rations; cash doles worth Rs. 2.21 lakhs at Rana-ghat.*

As per latest information received by the State Government from the Inspector General of Police West Bengal and the District Magistrate, Nadia, the case is still under investigation by the Police and it has not yet been possible for the investigation Officer to trace out the accused persons or the witnesses.

- (ii) The final report from the State Government is still awaited.

[Ministry of Supply and Rehabilitation (Department of Rehabilitation) O.M. No. 7 (36)/74-FABD dated 26 July, 1977].

The State Government have since reported that the complete report of enquiry in the cases of the Central and State Public Accounts Committees in regard to Bangladesh refugee relief operations 1971, is expected to be submitted to them by the end of this year. The delay is reported to be due to the fact that the task is gigantic one besides being voluminous in nature.

[Ministry of Supply and Rehabilitation (Department of Rehabilitation) O.M. No. 7(36)/76-FABD dated 13 September, 1977].

Recommendations

It has been brought to the notice of the Committee that although shelters of improvised nature and austerity standard were to be constructed with local and inexpensive materials, several instances have come to notice in test check by Audit in which costly material like sal wood was used. The explanation of the Department of Rehabilitation that sal wood was used in the Cooper Chharra and Gamarbani camps in West Bengal and Bahalpur in Assam because it was readily available locally and it was also durable is not acceptable to the Committee. In that part of West Bengal, besides sal which is most expensive, cheaper varieties like mango, jaman and shirish are also available in plenty. The Committee regret that the

authorities, despite their knowledge that the refugees were return to their country eventually did not exercise economy in the matter of construction of shelters which were to be built for a temporary period.

The Committee have been told that 5,000 huts were constructed in North Tripura District for housing the refugees and certain anonymous and pseudonymous complaints were received about the irregularities in the construction works. On the basis of a preliminary inquiry conducted by the State Vigilance Department, the case had been referred to the C.B.I. on 20th May, 1972. The report of the C.B.I. is still awaited. The Committee would like that the case should be processed expeditiously and report of the progress of the case communicated to them within two months.

[Sl. Nos. 28 & 29 (Paras 1.177 & 1.178) of Appendix VII to 149th Report (5th Lok Sabha)].

Action Taken

As regards the construction of shelters in West Bengal and Assam, it has been reported by the Government of West Bengal that in case of constructions at Coopers, Chharra and Gamarbani camps, the huts were mostly made as per approved specifications. In certain cases it was only when sufficient stock of roofing materials such as tarpaulins, plastic sheets etc. could not be supplied to the State Government by the Government of India that the tile roofing had to be resorted to as the work could not obviously be stopped in the face of the continuous inflow of refugees. As a result of tile roofing, the wooden frames had to be made of more durable wood to carry the load of the tiles, although the number of such huts was small. Despite this, the cost of these huts did not exceed the ceiling per sq. ft. as approved by the Government of India. It would be appreciated that the work had to be executed on a war footing and the exceptional situation in which it was done cannot be fully appreciated after lapse of such a long time. The State Government have also justified the action on the ground that the objective at that time was to accommodate the continuous stream of refugees with utmost expedition and whatever materials were available immediately, had to be utilised in putting up these shelters.

As regards the use of sal wood in these camps, the State Government have further clarified that in Gamarbani camp situated in Bankura district, virtually sal wood is the only type of wood which is available in abundance in the locality. The adjoining areas are covered with forest where the main forest product is sal. As the work was not only voluminous but had to be executed with utmost expedition, sal wood had to be mainly used to provide shelter timely, to the evacuees. However, other types of wood were also used to the extent of availability in adjoining areas taking the time factor into consideration. For Chharra camp also which is in Purulia district and adjacent to Bankura, the same observations hold good. Other varieties of local wood except sal were not available there in adequate quantities to meet the requirements. Here also both sal and other wood had to be used according to the availability and need. It was in these circumstances that sal wood was used even where the roofing was done with tarpaulin and tarfelt.

As regards the construction of shelter at Bahalpur camp, the Government of Assam have reported that by the time polythene sheets could be made available to the PWD authorities, the work orders had already been issued and the time allowed for the completion of these works was only 15 days. The contractors had already, simultaneously, collected necessary material while taking up the constructional work. Any subsequent change in the work order (such as use of polythene sheets—not provided for in the original work orders) would have not only delayed the completion of the works, but would have given rise to extra financial implication because the use of polythene sheets would have rendered useless the materials such as sungrass etc. already arranged for and collected by the contractors for the purpose. However, these sheets are reported to have been used where the work had not yet started by the contractors and/or had not collected thatch material. In this connection the Audit have, however, observed that “The reply of the Department that the work orders had already been issued by the time polythene sheets could be made available to the Public Works Authorities is not acceptable in audit because as many as 68 work orders were issued between 10th July, 1971 to 31st July, 1971 whereas the camp Commandant, Bahalpur had informed the Executive Engineer concerned on 9th July, 1971 about the availability of polythene sheets.” The matter is being examined further in consultation with the State Government.

In regard to the construction of 5000 huts in Tripura, it has been reported by the State Government that on receipt of the report from C.B.I., necessary sanction for prosecution was issued by them on 16-6-1976. The case is still *sub judice*.

[Ministry of Supply and Rehabilitation (Department of Rehabilitation O.M. No. 5(2)/75-FA&BD dated 31 Augsut 1976].

NEW DELHI;
March 15, 1978.

Phalguna 24, 1899 (S).

C. M. STEPHEN
Chairman,
Public Accounts Committee.

APPENDIX

APPENDIX

Consolidated Statement of Conclusions/Recommendations

Sl. No.	Para No. of the Report	Ministry/Department concerned	Conclusions/Recommendations
1	2	3	4
1	1.3	Department of Rehabilitation	It is regrettable that even after the lapse of nearly 2½ years final action taken notes in respect of 10 recommendations have not been furnished to the Committee. The Committee expect that final replies to those recommendations/observations in respect of which only interim replies have been furnished so far will be submitted expeditiously after getting them vetted by Audit.
2	1.9	Do.	The Committee regard it as extremely unfortunate that huge claims amounting to nearly Rs. 59 lakhs for short-landing have been allowed to get time-barred. They desire that the circumstances in which the lodging of claims was delayed should be investigated and responsibility therefore fixed and appropriate action taken against those responsible.

